

Message Text

PAGE 01 TOKYO 08480 051014 Z

12

ACTION EA-14

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12 EB-11

COME-00 AGR-20 TRSE-00 OMB-01 STR-08 CEA-02 CIEP-02

RSR-01 /124 W

----- 128977

R 050900 Z JUL 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 5039

LIMITED OFFICIAL USE TOKYO 8480

E. O. 11652: N/A

TAGS: EAGR, ETRD, JA, US

SUBJ: REACTION TO US CONTROLS ON SOYBEAN EXPORT

REF: TOKYO 8418, 8247.

SUMMARY: PRESS CONTINUES HEAVY REPORTING AND EDITORIAL COVERAGE OF REACTION TO US SOYBEAN EXPORT CONTROLS. NIHON KEIZAI IN EDITORIAL CALLS US MOVE ON SOYBEANS " AN ACT OF TREACHERY." VISITING US CONGRESSMEN AND SENATORS WERE TOLD BY JAPANESE COUNTERPARTS OF DISSATISFACTION WITH US CONTROLS AND DISTRESS OVER LACK OF PRIOR CONSULTATION. GOJ ALSO BEING CRITICIZED FOR OVER-OPTIMISM AND IGNORANCE OF REAL SITUATION IN US. ONE FAVORABLE NOTE IS RELEASE OF NEW PRIVATE FIGURES (WHICH DIFFER FROM GOJ' S) THAT SOYBEAN STOCKS WILL STILL BE ABOVE 160,000 TONS BY END OF OCTOBER. END SUMMARY.

1. JAPANESE PRESS JULY 4 AND 5 CONTINUES HEAVY COVERAGE OF REACTION TO US SOYBEAN EXPORT RESTRICTIONS. NIHON KEIZAI REPORTS THAT PRESIDENT OF KEIDANREN (JAPANESE FEDERATION OF ECONOMIC ORGANIZATIONS) UEMURA TOLD US CONGRESSMEN AND SENATORS (IN VISITING PARLIAMENTARY LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 02 TOKYO 08480 051014 Z

EXCHANGE GROUP) OF STRONG FEELING OF DISSATISFACTION IN JAPAN OVER PRESIDENT NIXON' S DECISION TO RESTRICT EXPORTS OF SOYBEANS, AND VERY SERIOUS EFFECTS THAT THIS MOVE WILL HAVE. UEMURA' S STATEMENT, SAYS NIHON KEIZAI, REPRESENTS

THE VIEW WHICH IS GROWING IN JAPANESE BUSINESS CIRCLES THAT US UNILATERAL DECISION ON SOYBEANS " FORCIBLY VICTIMIZES OTHER COUNTRIES WITHOUT MAKING ADEQUATE ARRANGEMENTS IN ADVANCE." EDITORIALY, THE NIHON KEIZAI CALLED US MOVE " AN ACT OF TREACHERY TO JAPAN" AND SAID " CONCERN OVE FOOD SHORTAGES, CAUSED BY US EXPORT RESTRICTIONS, WILL LEAVE A SCAR IN THE MINDS OF THE JAPANESE PUBLIC." PAPER ALSO CONDEMNS US SELFISHNESS, WHILE US AT SAME TIME REQUESTING JAPAN TO FURTHER LIBERALIZE IMPORTS.

2. EMBOFF ATTENDED SESSION OF PARLIAMENTARY EXCHANGE GROUP JULY 4 WHERE US CONGRESSMEN AND SENATORS DISCUSSED TRADE AND ECONOMIC PROBLEMS WITH THEIR JAPANESE COUNTERPARTS. DIETMEN FROM FOUR DIFFERENT POLITICAL PARTIES REPRESENTED AT MEETING EXPRESSED CONCERN OVER US STEP AND DISTRESS OVER LACK OF PRIOR CONSULTATION. SOCIALIST PARTY REPRESENTATIVE (HORI) NOTED THAT DURING PREVIOUS DISCUSSIONS OF AGRICULTURAL LIBERALIZATION IN JAPAN, THE GOJ HAD ALWAYS SAID THAT TIME WOULD NEVER COME WHEN THERE WOULD BE SHORTAGES OF FOOD FROM THE US. THE GOJ HAS BEEN PROVEN WRONG, HORI SAID, AND FURTHER AGRICULTURAL LIBERALIZATION EFFORTS SHOULD BE HALTED. LDP REPRESENTATIVE (KOSAKA) SAID THAT IT UNFORTUNATELY BELIEVES HE SHOULD SOLVE US DOMESTIC PROBLEMS IN WAYS THAT ARE OBVIOUSLY DETRIMENTAL TO US/ JAPAN RELATIONSHIP. KOSAKA ADDED THAT SOME PEOPLE IN US SEEM SURPRISED BY JAPAN' S SURPRISE AT US ACTION. THAT IS A PARTICULARLY BAD SIGN, HE SAID.

3. GOJ ALSO COMING IN FOR EDITORIAL CRITICISM AS RESULT US CONTROLS. IN AN EDITORIAL ENTITLED " GOVERNMENT' S WRONG FORECAST", ASAHI JULY 4 SAYS GOJ WAS TOO OPTIMISTIC IN SAYING EARLIER THAT US WOULD NOT GIVE JAPAN A HARD TIME SINCE JAPAN IS US' S BEST CUSTOMER. THIS OPTIMISM WAS GROUNDLESS. GOJ WAS JUST AS IGNORANT ABOUT WHAT HAPPENED IN THIS CASE, AS CASE INVOLVING SALE OF US GRAIN LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 03 TOKYO 08480 051014 Z

TO USSR. WE SHOULD LEARN FROM THIS BITTER EXPERIENCE IN FUTURE, ASAHI SAYS, AND AFTER STUDYING US FARM POLICY, JAPAN SHOULD RESTUDY ITS OWN OVERALL FARM POLICY.

4. ACCORDING TO JULY 4 ENGLISH LANGUAGE PRESS REPORTS, SPECULATIVE MOVES TO HOARD SOYBEANS AND RELATED PRODUCTS ARE ON INCREASE IN JAPAN. SOYBEAN PRICES IN SPOT TRANSACTIONS ON GRAINS MARKET HAVE RISEN ABOUT 40 PERCENT OVER THE PAST WEEK, REACHING ABOUT \$604 PER TON MOST RECENTLY. WHOLESALERS OF EDIBLE OILS ESTIMATED THAT PRICE OF THEIR PRODUCTS WOULD RISE 20 PERCENT BECAUSE OF US ACTION. HOWEVER, MAF MINISTER SAKURAUCHI, ACCORDING OTHER PRESS REPORTS, HAS PROMISED TO TIGHTEN CONTROLS ON HOARDING AND

PRICE MANIPULATION IN SOYBEANS, BY APPLYING RECENTLY
ENACTED ANTI- HOARDING LAW TO SOYBEANS.

5. ON POSITIVE NOTE, THERE SOME INDICATION IN PRESS THAT
GOJ MAY HAVE UNDERESTIMATED STOCKS OF SOYBEANS IN JAPAN.
MAF HAD EARLIER SAID THAT SOYBEAN SHORTAGE WOULD REACH
10,000 TON LEVEL BY END OF OCTOBER (REFTEL). HOWEVER
PRESIDENT OF KANTO FEDERATION OF SOYBEAN WHOLESALERS
ASSOCIATIONS REPORTEDLY SAID JULY 4 THAT THERE IS NO
SHORTAGE OF SOYBEANS IN JAPAN. THE AMOUNT OF STOCKPILES
AS OF THE END OF OCTOBER WILL BE 120-160,000 TONS.
ALTHOUGH THERE WAS SOME QUESTION AS TO WHY FIGURE WAS SO
DIFFERENT FROM THAT INITIALLY RELEASED BY GOVERNMENT,
NIHON KEIZAI SAID NEW REPORT LIKELY TO STABILIZE RAPIDLY
RISING SOYBEAN PRICES. SOYBEAN PRODUCT MANUFACTURERS HAVE
REPORTEDLY AGREED TO AVOID SHARPLY RAISING PRICES AS RESULT
OF NEW FIGURES ON SOYBEAN AVAILABILITY.

6. TO DATE EMBASSY PRESS RELEASE (SEE FOLLOWING CABLE)
WHICH ATTEMPTS TO REFUTE JAPANESE ARGUMENTS ON SOYBEAN
CONTROLS HAS BEEN CARRIED BY TOKYO SHIMBUN, AND ENGLISH
LANGUAGE ASAHI AND JAPAN TIMES. EMBASSY WILL CONTINUE EFFORTS
TO EXPLAIN ACTUAL SITUATION.
INGERSOLL

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 10 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO08480
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730768/abqcekvn.tel
Line Count: 135
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: TOKYO 8418, 8247.
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 07 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Nov-2001 by willialc>; APPROVED <29-Nov-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status:
Subject: REACTION TO US CONTROLS ON SOYBEAN EXPORT
TAGS: EAGR, ETRD, JA, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005